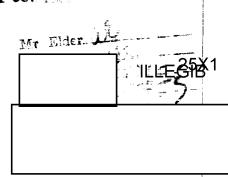
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Honorable John L. Moore Administrator General Services Administration Washington 25, D. C.

Dear Mr. Moore:



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This is in reference to the proposed new quarters of the Mational Photographic Interpretation Center which will be lecated in Washington, D. C.

Because of the recent substantial increases in the volume of significant intelligence data available to the intelligence community, the President's Fereign intelligence Advisory Board with the approval of the President has requested that there be explored the possibility of accelerating the time when the Center is to become operational. See the enclosed copy of a memorandum, dated October 11, 1961, from the Henerable McGeorge Bundy to the Chairman, United Sintes Intelligence Board, and the Birector's reply thereto.

It is respectfully requested that the Public Buildings Service, which is the Centruction Agent of the Central Intelligence Agency, negotiate a cost-plus-a-fixed-fee contract for construction of the Center, pursuant to authority contained in section 304(b) of the Federal Property and Administrative Services Act of 1947, as amended. I feel strongly that this method of contracting will accelerate the time when ______ will become operational. The Contract Architect-Engineer has been consulted in this matter and has agreed that he can provide at an early date plane adequate for the negotiation of

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a contract to be followed by commencement of construction, whereas it would take nearly four menths to develop the specifications needed in advertising for bids. The completion of the work would also be advanced by about four menths.

Due to the fact that there are many unresolved problems in the systems study, it is clear there will be a large number of substantial change orders to be executed in carrying out the contract. From our experience, we believe that under a fixed price centract the cost of such change orders would be considerably more than if the changes were made under a negotiated contract of the type we are seeking and without the built in cost controls of the cost-plus-a-fixed-fee contract. Based on these conditions and all other information available, I believe that there is sufficient basis for a determination that a cost-plus-a-fixed-fee centract is likely to be less costly than other methods of contracting.

In addition, I feel that in a fixed price contract, because of the numerous change orders, we would be at the mercy of the contractor with respect to completion dates and thus could not be assured of compliance with the request of the intelligence Board, approved by the President, for acceleration of the work to be done. It would seem that section 302(c)(2) of the Federal Preparty and Administrative Services Act of 1949, as amended, is a proper vehicle for negotiating the contract, i. e., the public exigency will not admit of the delay incident to advertising. This is because of the magnitude and national importance of this project as indicated in the enclosed memorandum from the White House.

The Bureau of the Budget has been consulted on this matter and interposes no objection.

Your able assistance will be appreciated as it has been in the past. With all good wishes.

Sincerely,

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G. P. Gabell General, USAF Acting Director

Enclosures

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s/ James A. Garrison	31 October 1961
Director of Logistics	Date
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General Counsel	Date 31 October 190
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Honorable John L. Moore Administrator General Services Administration Washington 25, D. C.

Dear Mr. Moore:

This is in reference to the proposed new quarters of the National Photographic Interpretation Center which will be located in washington, D. C.

Because of the recent substantial increases in the volume of significant intelligence data available to the intelligence community, the President's Foreign Intelligence Advisory Board with the approval of the President has requested that there be explored the possibility of accelerating the time when the Center is to become operational. Seattached copy of memorandum, dated October 11, 1961, from the Honorable McGeorge Bundy to the Chairman, United States Intelligence Board, and the Director's reply thereto.

It is respectfully requested that the Public Buildings Service, which is the Construction Agent of the Central Intelligence Agency, negotiate a cost-plus-a-fixed-fee contract for construction of the Center, pursuant to authority contained in Sec. 304(b) of the Federal Property and Administrative Services Act of 1949, as smended. I feel strongly that this method of contracting will accelerate the time when will become operational. The Contract Architect-Engineer has been consulted in this matter and has agreed that he can provide at an early date plans adequate for the negotiation of a contract to be followed by commandement of construction, whereas it would take mearly four months to develop the specifications needed in advertising for bids.

Due to the fact that there are many unresolved problems in the systems study, it is clear there will be a large number of substantial change orders to be executed in earlying out the contract. From our

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bee shows that under a fixed price contract, the cost of such change erders would be considerably more than if the changes were cade under a negotiated contract of the type we are seeking and without the built in cost contracts of the cost-plus-a-fixed-fee contract. Based on these contitions and all other information available, I believe that there is sufficient beath for a determination that a cost-plus-a-fixed-fee xentract is likely to be less costly than other methods of contracting.

In addition, I feel that in a fixed price contract, because of the momentum change orders, we would be at the marry of the contractor with respect to completion dates and thus could not be assured of the pliance with the request of the Intelligence board, approved by the President, for acceleration of the work to be done. It is, therefore, suggested that Sec. 308(c)(2) of the Poteral Property and Administration Services Act of 1999, as assured, be used as the justification for negotiating the contract, i.e., the public exigency will not admit of the delay incident to advertising. This is because of the segmitting and national importance of this project as indicated in the stracked negotiation from the White Rosse

Your able essintance will be appreciated as it has been in the past. With all good vishes.

Simporely,

C. P. Cabell Licutement General, USA? Acting Director

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CONCURRENCES:	
Deputy Director (Support)	Date
/s/ James A. Garrison Director of Logistics	27 Oct 1961
General Counsel	27 Oct '6/

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has show that under a fixed price contract, the cost of sech charge archers would be considerably some than if the changes were made under a magnificated contract of the type we are seeking and without the multin cost contracts of the cost-plus-a-fixed-fee contract. Based on these conditions and all other information synthelic, I find that there is sufficient basis for a determination that a cost-plus-a-fixed-fee contract is likely to be less costly than other methods of contracting.

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Your thic assistance will be appreciated as it has been in the past. With all good wishes.

Mincopoly,

C. P. Cobell Lieutement General, USAF Acting Director

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CONCURRENCES:

Deputy Director (Support)	Date			
Director of Logistics	27 Oct. 1961			
s/ Lawrence R. Houston	31 OCT 1961			
General Counsel	Date			

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Honorable John L. Hoore Administrator General Services Administration Washington 25, N. C.

Dear Mr. Moore:

	This is	in reference t	o the	proposed	nov	quarters o	of t	hu mable at
Pho	rtographic	Interpretation	Cente	r which r	111	be located	l in	
nt			Washi	ngton, D.	. C.			

Because of the recent substantial increases in the volume of significant intelligence data available to the intelligence disseming the President's Foreign Intelligence Advisory Board with the approve that the President has requested that there be explored the possibility of accelerating the time when the Center is to become operational. For attached copy of memorandum, dated October 11, 1961, from the Proper block McGeorge Hundy to the Chairman, United States Intelligence Proper at my reply thereto.

Due to the fact that there are many unresolved problem in the systems study, it is clear there will be a large number of substant in change orders to be executed in companying out the contract. Imperious:

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In addition, I feel that in a fixed price contract, because of the masserous change orders, we would be at the mercy of the contractor with respect to completion dates and thus could not be assured of completione with the request of the Intelligence Board, approved by the Bresident, for acceleration of the work to be done. It would seem that Sec. 3:2 (c)(2) of the Federal Property and Administrative Services Act of 1:49, as anomaed, is a proper vehicle for negotiating the contract, i.e., the public exigency will not admit of the delay incident to advertising this is because of the magnitude and maticall importance of this project as indicated in the attached misorrandum from the White House.

Your shie sesistance will be appreciated as it has been in the year. With all good wishes.

Sincerely,

C. P. Cabell Lieutement General, UFAF Acting Birector

CONCURRENCES:

Deputy Director (Support)

Date

Sign 1001 1001

Date

General Counsel

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Date